

TOWARDS ENHANCING LEADERSHIP STYLES AND SKILLS THROUGH ORGANIZATION DEVELOPMENT INTERVENTION TO INCREASE EMPLOYEE ENGAGEMENT: A CASE STUDY

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Abstract: *Today's successful organizations depend on capable and efficient leadership to guide them through unprecedented changes. The quality of leadership can increase organizational performance as shown by some research underscoring the solid linkage between employee engagement and organizational performance. This study focuses on one of the leading financial service companies in Bangkok. Specifically, it looks at employee engagement – and disengagement – and at the factors impacting it and seeks to determine which leadership styles are the most appropriate to positively impact employee engagement. Correlation analysis and analysis of variance techniques were employed to determine the relationship between leadership styles and skills and employee engagement; two strengtheners of an organization's human sales force capabilities. Data was collected from a sample of 321 managers and employees in a financial service company in Thailand. On the basis of the findings, it can be concluded that the application of transformational and transactional leadership skills along with the positive change approach of Whole Brain Literacy, Appreciative Inquiry and Appreciative Coaching combined to induce managers to positively engage their employees. By implementing the appropriate leadership styles and skills, managers can achieve a high level of employee engagement.*

Keywords: Leadership, employee engagement, appreciative inquiry, appreciative coaching, whole brain literacy.

1. Introduction

The impact of leadership on employee engagement continues to garner interest among scholars worldwide (Macey & Schneider, 2008) with much of the research focusing on the dyadic relationship between a leader and a follower. There is substantial evidence of the positive effect of leadership on organizational effectiveness and employee satisfaction (Gill, 2009). The big secret about leadership is inspiring leadership that comes from many elements working together (Zenger, 2010). Oftentimes, those viewed as effective leaders are those who increase the organization's bottom lines (Yukl, 2002).

This study focuses on one of the leading financial service companies in Bangkok (renamed "ST" for this article), a franchise of an American company. It is a dynamic organization which aggressively aims to expand its market but is facing the issue of a high turnover among its sales staff. As Branham (2005) pointed out, turnover is not an event but a process of disengagement that can take days, or even years until the actual decision to leave occurs.

Although several factors impact employee engagement, the most critical one is the relationship between employees and managers (Jordan, 2005). As a lot of studies suggest, engaged employees will stay with the company longer and continually find smarter, more effective ways to add value to the organization (Baumruk & Marusz, 2004; Robertson-Smith & Markwick, 2009; Telford, 2012). Therefore developing leaders to be effective in managing and leading employees to be engaged should be one of the top priorities for an organizations success.

Whereas in the past, sales scholars tended to assume that sales managers often employed transactional leadership, contemporary research ascribe the variance in performance outcomes to transformational leadership (Wang, Oh, Courtright, & Colbert, 2011). Sales managers who apply transformational leadership influence sales people to perform above and beyond expectations, become better problem solvers, build confidence in their abilities to complete work (Dubinsky, Comer, Jolson, & Yammarino, 1996), and encourage stronger direct and indirect relationships with sales performance and organizational behavior than transactional leader behavior does

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(MacKenzie, Podsakoff, & Rich, 2001) at the individual, team and organizational levels.

It is in this context that this action research case study seeks to understand the relations between leadership styles and the skills of the sales team leaders (STLs) and employee engagement to strengthen the organization's human sales force capabilities.

It is hypothesized that the value of this study will contribute towards resolving the current issues faced by the focal organization, supporting the transformation of competencies from transactional to transformative leadership and enabling a reduction in both direct and indirect costs associated with high staff turnover which can lead to customer dissatisfaction or disaffection.

2. Literature Review

- Leadership Development

The Global Leadership Forecast 2011 Research (Boatman & Wellins, 2011) showed that organizations having the highest quality leaders were thirteen times more likely to outperform their competition in key bottom-line matrix. Leadership can be learned. The essence of leadership development involves knowing what to apply, how to apply it, wanting to apply it, and then actually applying it (Gill, 2009). Gary Yulk (2002), on the other hand, suggested three different forms of leadership development: formal training, developmental activities, and self-help activities that should be integrated to create a sustain favorable conditions for leadership development.

Leadership development, however, sometimes fails and the investment in training does not always pay off (Jay Conger and Ready, 2003). They identified the root cause of the failure of so many leadership-development efforts as ownership and power-oriented mindsets rather than sharing accountability, product-focused mentality that focuses on rush-to-action training and make-believe matrix that measure activity analysis rather than capability building.

Today's organization problems are "big and complex" with no "once-and-for-all answers" (Fullan, 2001). This study encompasses several related principles and the program as proposed in it will integrate various methods of learning, using positive approaches which can contribute to a creative leadership development program

for ST. The discussions on leadership factors and leadership outcomes of employee engagement are extracted from the following theories:

- Leadership Styles

The present study uses the Full-Range Leadership (FRLD) model, proposed by Bass and Avolio (Avolio, 1999; Sosik & Jung, 2010). The FRLD presents a profile of the frequencies with which a focal leader displays leadership styles or behaviors (Bernard M. Bass, 2000; Kirkbride, 2006). The three major components of this model are:

1) Passive/ Avoidant leadership behaviors. They include laissez-faire and passive management-by-exception (MBE-P). Laissez-faire leadership, describes essentially a non-leader in which managers tend to be hands-off, display complete avoidance of making decisions, refuse to assume responsibilities, refuse to take sides in a dispute, do not offer enough information to the followers, lack response to subordinate performance and are often absent or indifferent to the needs of their followers.

2) Active Transactional leadership behaviors. They include directing the execution of activities and setting tactics and stimulating individuals, using personal reward systems (Willink, 2009). Active forms of transactional leadership include active management-by-exception (MBE-A) and contingent reward. Transactional leadership style is sometimes described as "task-oriented behaviors" which are primarily associated with reaching decided outcomes in an efficient and reliable manner (Michel, Lyons, & Cho, 2010).

3) Transformational Leadership, described as superior leadership performance. It has shown to be positively related to the following subordinate outcomes: stimulating subordinates to accept the mission of the group; stirring subordinates to realize the important meaning of the tasks they are responsible for; looking beyond their own interest; increasing concerns for achievement; and self-actualization and ideals (B.M. Bass, 1990). Transformational leadership behaviors include 5Is:

- Idealized influence attributes:

Leaders emphasize building trust in their followers. They act as an influential role model, inspire power and pride in their followers based on values and a sense of

mission toward common goals.

- *Idealized influence behaviors*: Leaders act with integrity, lead by charisma and are viewed as being optimistic, self efficient, powerful, and confident.

- *Inspirational motivation*: Leaders inspire others by sharing goals and mutual understanding of what is right and important. They articulate high expectations by demonstrating commitment while encouraging followers to be committed to the vision.

- *Intellectual stimulation*: Leaders encourage innovative thinking in followers by helping others to think about old problems in new ways.

- *Individualized consideration*: Leaders treat followers as individuals rather than as a group and make available personal attention by coaching people individually.

- *Leadership Skills*

Katz's seminal article on the skills approach to leadership suggests that leadership is based on three skills, namely, technical, human, and conceptual (Rowe & Guerrero, 2010) and that each skill varies between management levels. Mumford and colleague (2007), extended the skill-based approach by examining the leadership skill requirements of 1,000 managers at different management levels. Their findings showed that interpersonal and cognitive skills were required more than business and strategic skills. The higher the job level, the higher the leadership skills required (Mumford, et al., 2007). This is significant for STLs at ST since they understand that they have the abilities to adapt to the challenges faced as leaders.

Several key skills for leaders to lead and engage employees are suggested including "coaching employees." A leader can be effective by knowing how to lead and teach and train his/her employees to do the job well. Therefore, a leader is effective when he/she can coach his/her team in an effective way (Soponkij, 2010). It is the primary skill needed to develop other skills. Developing followers is also one of the key behaviors that show a leader's care (Zenger, 2010). As Richardson (2009) stated: *"sales coaching is for everybody, every day. It is the most critical competitive skill that any sales organization can have. It is the most potent tool available for improving sales performance, maximizing productivity, and achieving revenue growth."* As this statement underscores, coaching plays

an important role in sales. In their Gallup research, Buckingham and Coffman (1999) found the corporate world to be appallingly bad at capitalizing on the strengths of its people and pointed their fingers at leaders whom, they see as unable to evoke the full and willing commitment of employee teams and apply the teams' energies in achieving corporate goals. It is suggested that to be effective, leaders must be effective coaches. As a consequence, the intervention approach design in this study focuses on effectively nurturing and releasing the leader within.

- *Leadership in Thai Culture*

A group of Thai scholars (Anurit, Selvarajah, & Meyer, 2011), who conducted an empirical test of management and leadership styles in Thailand, found that strong cultural factors such as non-confrontation and respect create the perception that Thai managers are excellent leaders. They identified three valid items, work orientation, people orientation, and honesty, which are rated highly by Asian managers (Selvarajah et al., 1995 as cited in Anurit, et al., 2011).

Hofstede (1980) explored the Thai culture through the lens of the 5-D Model: (i) Power distance; (ii) Individualism – collectivism; (iii) Masculinity / Femininity; (iv) Uncertainty avoidance; and (v) Long-term orientation. According to the model, Thailand is a high power distance society in which inequalities are an accepted orientation (Hofstede, 1980).

Regarding leadership style preference, Thailand highly values the humane style or participative leadership which stresses compassion and generosity. Thailand is also high in performance orientation (charismatic/ value-based which stresses high standards, decisiveness, and innovation) and self or group protection (emphasizes procedural, status-conscious, face-saving behavior, of the individual.

A recent study by Yukongdi (2010) found that the most preferred type of management style as perceived by Thai employees was consultative management (47%), followed by participative (42%), paternalistic (10%), while only 1% of employees preferred an autocratic manager. Fifty-one percent of employees, who perceived their managers as autocratic, preferred to work with a participative manager. Employees, regardless of the job level, whose managers were perceived to be more democratic also reported a higher level of

satisfaction with participation, job satisfaction, and influence in decision-making than those who perceived their manager's style as autocratic or paternalistic (Yukongdi, 2010).

An even more recent study by Laohavichien, Fredendall, and Cantrell (2011) investigated leadership behaviors in terms of quality management practices and their effects on the quality performance of manufacturing companies in Thailand. The findings, which contradict earlier studies, show that transformational and transactional leadership did not have opposite effects on the level of infrastructure QM practices. Transformational and transactional leadership complemented each other instead.

Application of an appropriate leadership style and skills are of critical importance to reversing the high turnover and dissatisfaction of salespeople. The review of leadership behaviors further demonstrates the necessity to employ a variety of styles and effective skills through the intervention process.

This study explores this alignment between the change process and relevant leadership styles and skills as part of the intervention. Consequently, the following two hypotheses were developed for testing:

Hypothesis 1: There is a significant difference in the pre- and post-ODI leadership styles of the sales team leaders.

Hypothesis 2: There is a significant difference in the pre- and post-ODI leadership skills of the sales team leaders.

- Employee Engagement

Many researchers, scholars and the world's top-performing organizations agree that employee engagement is a core strategy that drives business outcomes (Gullap Consulting, 2008, 2010). A Gallup research (2005) also shows that disengaged employees could cost Thailand more than 98.8 billion baht annually. In the U.S., it costs organizations over \$300 billion per year in lost productivity (Gullap Consulting, 2008, 2010).

The term "engagement" was introduced by Kahn in 1990 to establish a workplace measurement that allowed organizations to compare their work situations of worker's involvement as influenced by various tasks and experiences variables (Kahn, 1990). An employee engagement survey of nearly 11,000 individuals conducted by Blessing and White (2011) in the Asia/Pacific region shows lower levels of employee engagement than in other

parts of the world. Only 26% of the employees were engaged with 17% actually disengaged. This presents an opportunity for leaders to increase their employee's level of engagement. If an organization can do a better job of engaging its employees, it will not only make a real difference but also set it as a great organization, not merely a good one.

Four major approaches define the existing state of employee engagement: (i) Kahn's (1990) need-satisfying approach, (ii) Maslach et al.'s (2001) burnout-antithesis approach, (iii) Harter et al.'s (2002) satisfaction-engagement approach, and (iv) Saks's (2006) multidimensional approach (Shuck, 2011). Each approach clearly supports the relationship between engagement and organizational outcomes.

Several studies provide evidence that there is a strong positive relationship between employee engagement, commitment to the organization and organizational outcomes, profitability, customer loyalty, safety, retention and overall organization competitive advantage (Endres & Mancheno-Smoak, 2008; Macey & Schneider, 2008). Organizations employing employee engagement and customer engagement have outperformed their competitors by 26% in gross margin and 85% in sales growth (Gullap Consulting, 2008, 2010).

ST, the focal company in this study adopted the concept of employee engagement from the Center for Creative Leadership 2004 (Corporate Leadership Council, 2004). The concept includes two types of commitment: (i) Rational commitment – the extent to which employees believe that staying with their organizations is in their self-interest and (ii) Emotional commitment – the extent to which employees value, enjoy and believe in their organizations.

The commitment outputs were measured through three elements: (1) Job performance, behaviors contributing to the sales production or the provision of a service that meet or exceed the quantitative and qualitative standards of performance; (2) Job satisfaction, defined as the extent to which the sales staff like or dislike their jobs; and (3) Job extension, which identifies the sales staff able to generate extra effort in their work.

Although leadership styles and skills are different and no specific one is appropriate in all circumstances (Boulgarides & Cohen,

2001), any leadership practice that includes encouraging employee participation and building trust and collaboration has a positive influence on employee engagement through a strength-based approach (Asplund & Blancksmith, 2011; Cray, Inglis, & Freeman, 2007; G.H. & Crim, 2006). The link of leadership with productivity and engagement is very evident. Stemming from this is hypothesis 3 which reads as follows:

Hypothesis 3: There is a significant difference in pre- and post-ODI employee engagement.

- Positive Change Approaches

Several studies have shown that leaders using strengths-based employee development in the workplace can maximize their employees' potential and lead to desired behavioral change. Based on this previous research, this study will explore three areas of positive approaches that combine to support a unique approach to the leadership development of styles and skills: (i) Whole Brain Literacy (WBL); (ii) Appreciative Inquiry (AI); and (iii) Appreciative Coaching (AC).

- (i) Whole Brain Literacy (WBL) is based on the physiological and neurological functioning of the brain (Lynch, 1984, 1986, 1993, 2004). Developed by Tayko, WBL refers to the application of the human brain functioning by connecting the information generated from the four-brain quadrants and connecting them around a core purpose as the unifying theme or topic for decision-making, planning, developing and/or teaching/learning processes (Tayko & Talmo, 2010). WBL makes use of the "wending and iterating processes" as a distinctive pattern in tapping the intelligences or thinking skills when one part or quadrant interacts with another independently. WBL model is comprised of I-Explore, I-Control, I-Pursue, I-Preserve, and I Live on Purpose in order to develop the whole brain perspective and learning. WBL is a change theory which leaders can use to successfully implement transformation in leadership where they realize their full capabilities.

Applied to leadership change, the first concept initializes control where the leader has discovered various issues connected with the deficits in the team's performance (I-Control). The second one connects to the exploration and formulation of strategies based on the understanding of the discovered issues (I-Explore). Leaders then pursue the strategies

envisioned and applied them to the issues identified to facilitate change (I-Pursue). The last quadrant enhances preservation of what is envisioned to be the best resultant approach (I-Preserve). The leader perception, facilitated by reflection of the whole process, garners prosperity of the new knowledge. Therefore, WBL involves the understanding of the self so as to balance the capabilities which will be passed on to the employees.

(ii) Appreciative Inquiry (AI) is a strength-based approach (Cooperrider, Whitney, & Stavros, 2008) with a focus on transforming the engagement of the subordinates. The appreciative aspect focuses on the capability of recognizing the potential in people and other influential factors. It also focuses inquiry on the exploration to enhance discovery of more factors which may turn to opportunities as well as mitigate weaknesses. Both aspects are intertwined within the past, the present situation and future prospects. AI is a philosophy that incorporates a process, referred to as the 4D cycle (Discovery, Dream, Design and Destiny), that engages people to produce effective and positive change (Cooperrider, et al., 2008).

Carr-Stewart and Walker (2003) applied the 4Ds cycle to leaders focusing their energy on identifying the best within their organizations, acknowledging "the best of what is already working today" and "dreaming of what could be if they were to build on and leverage current successes for even greater achievement."

(iii) Appreciative Coaching (AC) was developed by Orem, Binkert, and Clancy (2007). AC provides a positive way of correcting mistakes not by acknowledging them as negative outputs but rather, recognizing the existence of a concrete process for change through the positive philosophy of AI.

The AI and AC approaches energize people to think about, dream about, and talk about things they do well and enjoy by using appreciative language, understanding what an individual brings, creating to guide changes in individuals and organizations. This study, applying the AI and AC approaches, focuses on positive psychological factors especially in sales management.

In conclusion, the evidence provided by the various theories reviewed in this study suggest that effective leadership performance appears to have clear positive effects in terms of

influencing the team and facilitating motivation, job satisfaction and employee engagement. The following 5 Hypotheses were thus developed for this study:

Ho1: *There is a significant difference in the pre- and post-ODI leadership styles of the sales team leaders.*

Ho2: *There is a significant difference in the pre- and post-ODI leadership skills of the sales team leaders.*

Ho3: *There is a significant pre- and post-ODI difference in employee engagement.*

information collected from company documents, questionnaires, interview guides and group interviews so as to determine the meaning of the current situation and functioning of the Sales Department.

- *Phase two* (ODI stage): it includes the implementation of the ODI activities during a four-month period to address issues and identify a plan of action to improve the organization's effectiveness. The Leadership Development Program Intervention consisted of three workshops in the following sequence: (1) WBL and AI workshop; (2) Leadership development workshop; and (3) AC workshop. To foster the transfer of learned content from the leadership program intervention to the workplace, the three workshops combined group-based training aspects such as lectures, role-play, and discussions and the use of two methods of feedback (180-degree feedback and peer-based coaching feedback). After the workshops, each participant was required to practice newly learnt behaviors with his/her subordinates in day-to-day work settings and coach his/her direct subordinates at least 12 sessions per month. Supportive activities such as journals, self-reflections and one-on-one coaching on the phone were also conducted.

- *Phase three* (evaluation stage); it includes a formative evaluation during the ODI and a post-ODI summative evaluation. The sample in this study consisted of fifty-nine managers (31 females and 28 males) who held the position of Sales Team Leaders (STL) at ST. The majority of them (56%) were between 31 and 40 years old. 41 per cent of them had been working with the company in this current position for more than a year but for less than two years. Most of them had a Bachelors degree. Each STL was requested to identify at least 4 subordinates to provide feedback on their perceptions of both pre- and post ODI leadership. A total of 262 sales staff (173

Ho4: *Leadership styles have influence on employee engagement.*

Ho5: *Leadership skills have influence on employee engagement.*

3. Research Methodology

This study applied action research methodology, based on the positive WBL, AI and AC approaches. It includes three phases:

- *Phase one* (pre-ODI): this is the assessment stage. The objectives were determined and

females and 89 males) participated in the ODI project as STLs' subordinates. Most were between 20 and 30 years old. 63 per cent of them had been working at the company for less than 2 years and 76 per cent had a Bachelor degree.

Data was collected through 4 assessment questionnaires, all of which modified into a 10-point Likert scale in order to better determine distinct behavioral changes in terms of STLs' behaviors between pre- and post ODI. In addition two sets of in-depth interviews were conducted. Leadership styles factors were measured using the standard questions of the MLQ Form 5X-short.

Leadership skills factors were measured using two sets of questionnaires. First, the Leader Behavior Analysis II (LBA II) developed by Blanchard, Hambleton, Zigarimi, and Forsyth (2003) to evaluate the leaders' diagnosis and flexibility skills and second, the core leadership skills questionnaire of the focal company.

Employee engagement factors were measured using a questionnaire based on the Employee Survey of the focal company and Gallup's Q12 instruments. The employee engagement questionnaire comprises 12 core elements that aim to predict employee engagement in terms of job performance, job satisfaction and job extension that link to critical workgroup and business outcomes. ST's Leadership skill questionnaire is a valid instrument since it was developed by the company's learning and development expert and has been used across the franchise.

Reliability was established using a pilot test and collecting data from 30 subjects. The Cronbach's alpha coefficients of all leadership scales and employee engagement scales were well above .80 and item-to-total correlation of .35 or greater. The results of the pilot study were concluded as reliable and valid.

In-depth interviews were conducted with two groups of participants (8 individual STL and 24 selected sales staff). Four sessions of group reflection were conducted over the intervention period to assess the learning and skills development of the STL participants by helping them explore and improve their knowledge, enhance their practice of leadership behaviors through a process of structured thinking (Lee, 2009).

Data from the respondents were analyzed in the form of descriptive statistics. To assess the post-ODI improvement of leadership behaviors and determine whether they were significantly different, Paired Sample t-Test (2-tailed) was

used to test statistically which is subject to Pearson Correlation test at the significant of 95% or $\alpha = 0.05$.

The Correlation and Multiple Regression Tests were used to examine the relationship between the three elements of the sales staff employee engagement (the dependent variables) and the STL leadership effectiveness (the independent variables) at the significant level of 95% or $\alpha = 0.05$.

4. Results and Discussion

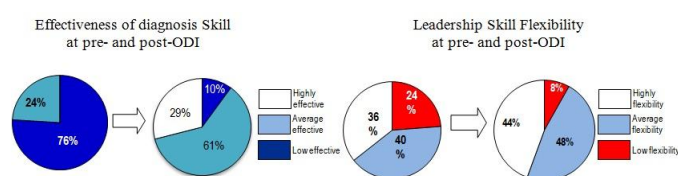
Table 1 below presents the pre- and post-ODI descriptive statistics for all the variables.

Table1: Comparison of the Pre- and Post-ODI Impact on the Perception of the Variables

Variable	n	Pre-ODI		Post-ODI		Difference between mean	
		Mean	SD.	Mean	SD	Value	%
<i>Leadership Styles</i>	321						
Transformational Leadership	321	7.28	1.42	8.42	1.52	1.15	16% **
Active Transactional Leadership	321	7.4	1.51	8.46	1.4	1.06	14% **
Passive/Avoidant Leadership	321	3.39	2.29	3.57	2.41	0.18	5%
<i>Leadership skills</i>	321	7.12	1.61	8.82	1.38	1.7	24% **
<i>Employee Engagement (Average)</i>	262	6.84	1.33	9.21	1.3	2.36	35% **
Job performance	262	6.76	1.31	9.21	1.25	2.45	36% **
Job satisfaction	262	6.81	1.4	9.17	1.35	2.36	35% **
Job extension	262	6.96	1.28	9.24	1.29	2.28	33% **

Note: ** $p \leq 0.01$ (2-tailed).

Figure 1: The improvement of STLs' Situational Leadership: Pre- and Post-ODI diagnosis skill and flexibility skills.



a) Impact on the Perception of Leadership styles

As Table 1 shows, the respondents perceived a difference in pre- and post-ODI leadership behaviors. After participating in the four-month intervention, the STLs had positive improvement on both transformational (a 16% increase) and transactional leadership (a 14% increase). As to ineffective leadership style, as was expected, there is no significant difference in terms of passive/ avoidant leadership behaviors after completing the intervention. Thus, Hypothesis 1 is accepted.

b) Impact on the Perception of Leadership skills

The data from Table 1 also indicates that the leadership development program significantly enhanced the leadership skills of the STLs (a 24% increase) after completing the intervention. As to the improvement of diagnosis and flexibility skills, the statistical data reveal positive results of key skills of situational leadership. At pre-ODI, no participant was highly effective in diagnosis skills and only 36% were high in leadership skill flexibility while 76% were analyzed with

low effectiveness of diagnosis and 24% were low in flexibility of leadership skills implementation.

However, at post-ODI, 90% of the participants were highly effective in diagnosing and matching leadership skills to the situations and 92% of the STLs were highly flexible applying appropriate leadership skills based on the task at hand. After the four-month ODI, STLs perceived that they had more flexibility using a variety of leadership skills comfortably to match the unique needs of their subordinates. They were also more effective in terms of diagnosis.

The results from Paired Sample t-Test (2-tailed) revealed that there was some improvement in the effectiveness of diagnosing skills. The effects obtained between pre- and post-OD interventions were significant but there was no significant effect for leadership skill flexibility. Therefore, Hypothesis 2 is accepted.

c) Impact on the Perception of Employee Engagement:

After the completion of the leadership development workshops, STLs were requested to implement newly-learned behaviors of effective leadership and Appreciative Coaching with their subordinates. The results suggest that the STLs' leadership styles and skills of STLs had a real impact on employee engagement. Specifically, when STLs employed effective leadership behaviors, the level of employee engagement of their subordinates increased by 35%. When comparing the mean difference value of each pre- and post-ODI employee engagement element, the data shows that the sales staff perceived that their respective leaders' leadership styles had slightly more of an impact on their job performance (a 36% increase) than on their job satisfaction (a 35% increase) and job extension (a 33% increase). Therefore, Hypothesis 3 is accepted.

d) Impact on the Perception of Leadership Styles and Employee Engagement:

The multiple regressions output testing the relationships between leadership styles and skills and the employee engagement elements (job performance, job satisfaction and job extension) is shown in Table 2 below. As the results indicate, only some measures were significantly correlated.

The model that included the nine predictors

of leadership styles and job performance produced $R^2 = .578$, $F_{(9, 252)} = 38.287$, $p < .001$; job satisfaction, $R^2 = .498$, $F_{(9, 252)} = 27.813$, $p < .001$; and job extension, $R^2 = .559$, $F_{(9, 252)} = 34.485$, $p < .001$.

Interestingly enough, the transactional leadership variables are correlated positively with the criterion of the three elements of employee engagement. The greatest value of the coefficient of determination equals 0.51 ($\beta = .51$ in job performance and satisfaction) and 0.54 ($\beta = .54$ in job extension) for contingency reward, indicating that about 51% of the variation in job performance and satisfaction and 54% of the variation of job extension of sales staff can be explained by the relationship to the scores of the STLs' transactional leadership style in contingency reward. Idealized influence attributes and inspirational motivations are significantly and positively correlated with the criterion of job performance whereas idealized influence attributes and intellectual stimulation significantly and positively impact employee job satisfaction and extension. The results suggest that the STLs with higher scores on idealized influence attributes, Intellectual stimulation, active management-by-exception and contingency reward tend to influence the job satisfaction and job extension of subordinates. passive/ avoidant leadership was negatively correlated with employee engagement indicating that the predictive value of sales staff's engagement decreases by about -43% ($\beta = -.43$ in job performance), -45% ($\beta = -.45$ in job satisfaction) and -46% ($\beta = -.46$ in job extension) respectively for every one-unit increase in STLs' laissez-faire behavior of ineffective leadership style. Hypothesis 4 is therefore accepted.

e) The Effects on Perception of Leadership Skills and Employee Engagement:

Table 2 also indicates that the relationship between leadership skills and employee engagement was significant. The model with six predictors of leadership skills and job performance produced $R^2 = .645$, $F_{(6, 255)} = 54.264$, $p < .001$; job satisfaction, $R^2 = .582$, $F_{(6, 255)} = 47.931$, $p < .001$; and job extension, $R^2 = .653$, $F_{(6, 255)} = 61.461$, $p < .001$.

Moreover, Table 2 shows that leadership skills, coaching, and measuring and monitoring performance significantly influence employee engagement. In addition, directing skills also

significantly influence job performance.

Table 2: Means, Standard Deviation and Correlations between Leadership factors and employee engagement elements.

Variable	Mean	SD	Correlation with Job Performance	β	Correlation with Job Satisfaction	β	Correlation with Job Extension	β
Transformational Leadership	8.26	1.8						
Idealized Influence Attributes	7.65	2.61	.688**	0.17*	.655**	0.35**	.699**	0.40**
Idealized Influence Behaviors	8.29	1.59	.680**	0.10	.592**	0.01	.632**	0.04
Inspirational Motivation	8.69	1.41	.728**	0.36**	.604**	-0.03	.633**	-0.09
Intellectual Stimulation	8.42	1.75	.690**	0.13	.661**	0.36**	.702**	0.40**
Individualized consideration	8.27	1.64	.452**	0.09	.418**	0.08	.431**	0.06
Transactional Leadership	8.28	1.69						
Active Mgmt-by-exception	8.36	1.63	.588**	0.26**	.539**	0.21**	.566**	0.22**
Contingency reward	8.2	1.75	.678**	0.51**	.647**	0.51**	.678**	0.54**
Passive/ Avoidant Leadership	3.53	2.52						
Laissez-faire	2.89	2.35	-.394**	-0.43**	-.390**	-0.45**	-.407**	-0.46**
Passive Mgmt-by-exception	4.16	2.68	-.172**	0.067	-.144*	0.1	-.155*	0.10
Leadership Skills	8.52	1.57						
Directing	8.15	1.82	.703**	0.23*	.644**	-0.04	.680**	-0.01
Supporting	8.77	1.36	.663**	0.03	.640**	0.00	.682**	0
Coaching	8.52	1.6	.649**	0.29**	.619**	0.28**	.652**	0.31**
Delegating	8.62	1.5	.489**	-0.09	.473**	-0.03	.487**	-0.07
Measuring	8.65	1.48	.729**	0.45**	.719**	0.69**	.758**	0.69**
Recognizing	8.43	1.68	.592**	-0.17	.579**	-0.18	.620**	-0.16

Note: n = 262. * $p \leq 0.05$. ** $p \leq 0.01$ (2-tailed).

The greatest value of the coefficient of determination, which equals 0.45 ($\beta = .45$ for job performance) and 0.69 ($\beta = .69$ for job satisfaction and extension) for measuring and monitoring performance, indicates that about 45% of the job performance variation and 69% of the job satisfaction and extension of sales staff variations can be explained by the relationship to the scores of the STLs' leadership skill in measuring and monitoring performance. In summary, the positive correlation of the leadership skill variables indicate that the job performance of the sales staff increased by 45% by unit increase in STL's measuring skills and monitoring performance, 29% by a unit increase in Coaching skill and 23% by a unit increase in Directing skills. Job satisfaction and extension of sales staff increased 69% by unit increase in STL's measuring and monitoring performance skills and 28% and 31% respectively by unit increase in coaching skills. Thus, Hypothesis 5 is accepted.

The results from interviews concurred with the statistical results obtained from the leadership questionnaires designed to assess the extent to which STLs transferred knowledge and exhibited changes across the board. The key interview questions focused on the extent to which the STL and subordinate

participants experienced changes as a result of STLs' practicing newly learned behaviors of leadership styles, skills and AC. The most significant aspect was the changes of leader's behavior as a result of practicing A. Both STL participants and subordinates perceived that they experienced a high impact of STLs' leadership effectiveness on employees' engagement. While learning the content of the workshop presentations is important, the transfer of that learning is even more critical to the success of the ODI program as it is the extent to which participants apply what they have learned on the job that determines the success of leadership development program interventions.

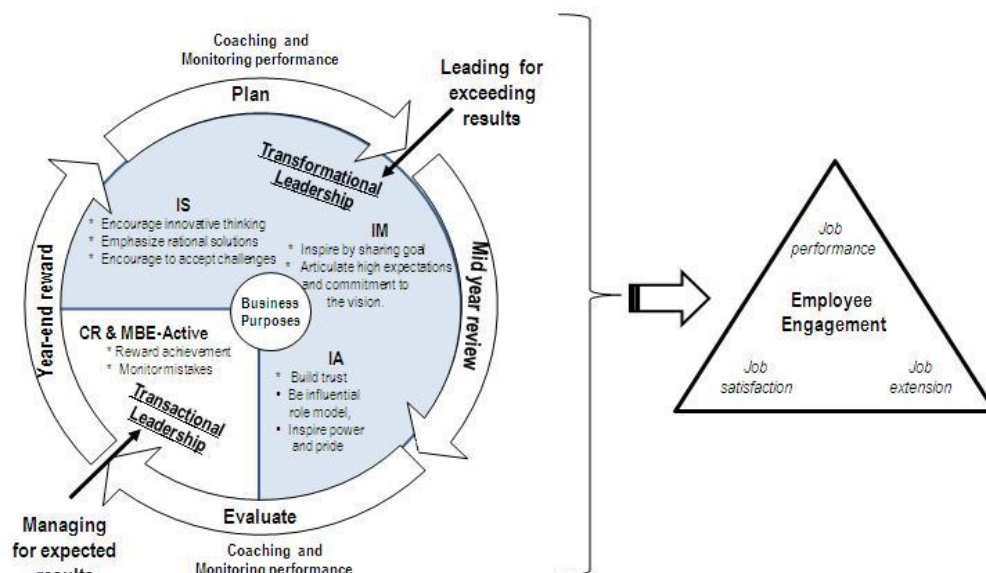
The interview findings support the statistical data of the quantitative inquiry according to which all STLs' leadership performance variables (styles and skills) perceived by both self and participants' subordinates were positively and significantly changed after the implementation of leadership development program intervention.

Based on all of the findings in this study, the researcher theorized a conceptual framework of leadership development under a performance management cycle of the organization working together as illustrated in Figure 2 below.

As can be seen from Figure 2, the outer cycle shows the organization performance management system, which begins with planning-developing goals and appropriate measures, discussing expectations and working on an individual development plan. The mid-year assessment is conducted about a half year later with the goals or expectations capable of being adjusted as needed. At the end of the year, the managers complete the year-end employee assessment and think about rewards for good performers.

Throughout the year, managers provide coaching, measuring, and monitoring to improve performance and drive productivity. For the inner cycle, managers learn to be more effective by implementing both transactional and transformational behavior using the positive WBL and AI approaches. The transactional style is based on contingencies, in that reward and/ or punishment are contingent upon the performance of managers to manage employees to achieve the expected results.

Figure 2: Proposed Model of Effective Leadership Behavior (Styles and Skills Elements) which Positively Influences Employee Engagement



Denote: IS = Intellectual stimulation, IM = Inspirational Motivation

IA = Idealized Influence Attribute

CR = Contingency Reward MBE-Active = Active Management-by-exception

Source: modified from Chaimongkonrojna (2010), Unpublished PhD dissertation thesis, Assumption University, Bangkok).

However, a transactional leadership may not fit well with a dynamic organization where sales targets are aggressively increased continuously. Since employees try to deliver the impossible in the face of access to fewer resources, increasing levels of accountability and limited potential for advancement, transformational leadership is needed for a manager to lead employees to achieve results beyond expectations. The WBL concept asserts that employees need to use the whole brain to open up the window of opportunity. The WBL thinking process connects the left part of the

brain (logical, systematic, and organized ways of functioning) and the right part of the brain (intuitive, dynamic and qualitative functioning) to achieve the core purpose (Tayko & Talmo, 2010). At the planning step of the performance management cycle, managers lead with rational thinking to check what employees know so far about what they are doing (I-Control) then they encourage innovation thinking of employees (Intellectual Stimulation). Then managers share the goals and inspire employee to explore opportunities and see what else they need to do to achieve and commit to the vision

(Inspirational Motivation & I-Explore). To keep employees motivated, managers emphasize the strengths of employees and lead with care (I-Preserve). Trust building is a very important stage to help teams have mutual regard, forthrightness and reliability. Failure to build trust may result in caution, mistrust and pretense. So leaders build trust by being role models, influencing pride and creating a sense of mission toward common interests (IA). Once all team members are clear about what the common goals and priorities are, they move to doing things (I-Pursue) and managers manage with reward for achievement (CR & MBE- Active). A reward system should be set up appropriately to avoid irrelevant competition, conflict and disharmony. Finally, the cycle of getting the job done well (transactional leadership), getting the job done better and getting an even better job (transformational leadership) starts over again to achieve the leap in organizational success.

5. Implications and Conclusions

Firstly, the findings in this research are consistent a number of prior studies (e.g. Hartog, House, Hanges, & Ruiz-Quintanilla, 1999; Sherry & Winnette, 2011) that determined that transformational leadership development should be focused as it is universally endorsed as a contribution to outstanding leadership, and is considered to be most suitable for Thai people (Limsila & Ogunlana, 2008). However, it may not necessarily result in the highest degree of employee engagement of Thai people in a sales setting. Although the results in this study are consistent with a substantial number of studies on effective leadership, which suggests that the most effective leaders are those who use a blend of transformational and transactional leadership styles (Avolio, Bass, & Jung, 1999; Yukl, 2002), this study observed more specific findings that only some variables of transformational and transactional leadership styles positively impact employee engagement. This study suggests that contingency reward extremely impacts sales staff's employee engagement while the three other leadership factors, active management-by-exception, idealized influence attributes and intellectual stimulation, also significantly impact employee engagement. Two important leaders' skills influencing employee engagement are measuring and monitoring performance and coaching. The quality of the sales leaders

directly affects the sales staff's achievement and employee engagement.

Secondly, the results of this study also suggest that a period of four months for a leadership development program intervention is sufficient and effective to enhance the leadership behaviors of STLs. The combination of OD tools, comprising the formal learning of the structured and planned leadership development workshops and self-help activities such as journals, self-reflections, one-on-one coaching on the phone plus the developmental activities of coaching and leadership practices which were embedded within the day-to-day operational job conducted in conjunction with the coaching assignment are effective in enhancing the effective leadership style and skills of STLs.

Thirdly, the study indicates that the strength-based WBL, AI and AC approaches lead to the ODI project success. Participants deliver business promises through thinking differently.

Lastly, it is clear in this study that coaching was a very important activity that ensured the success of the leadership development program intervention. Ninety-six percent of the sales staff interviewed revealed that their leaders provided coaching to them more often and that this, in turn, helped to develop greater team bonding.

- Recommendations for future studies

Although the study does not directly focus on culture, the findings underscore that cultures and learning are connected in important ways. If the assumption of culture having significant correlation with leadership learning is true, could it be assumed that leaders who share cultural characteristics have common learning style patterns? "Do the demographic characteristics of the respondents in the sample influence their responses to the research inquiries and contribute to differences in leadership performance and outcomes?" Some of these variables include age, gender, years of services in the current position, occupational level, educational background, and environmental factors during the period of research, which need to be considered when analyzing and interpreting the results. The type of organization should also be considered as its characteristics may be different.

Due to time limitations, it was not possible to identify the link between the employee

engagement directly to financial performance and organization effectiveness. Thus, the third question for future research is: “how should the effects of employee engagement be measured and related to organization goals and effectiveness and financial performance?” This would be worthy of exploration.

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